



Downtown Center Business Improvement District

BOARD OF DIRECTORS MEETING

June 4, 2014

Board of Directors

Barbara Bundy, Robert Cushman, Sauli Danpour, Simon Ha, Robert Hanasab, Steve Hathaway, Carol Schatz, Daniel Swartz, Cindy Troesh, Cari Wolk

Absent

Eric Bender, Jim Bonham, Marty Caverly, Richard Costanzo, David Damus, Clare De Briere, Kathy Faulk, Pekar Pilavjian, Patrick Spillane, KC Yasmer, Adele Yellin, Peter Zen

Staff

Hal Bastian, Jeff Chodorow, Suzanne Holley, Joshua Kreger, Lauren Mitchell, Lena Mulhall, Ken Nakano, Jessica Whaley

Guests

Matt Nolan (as proxy for Adele Yellin), John Day (as proxy for David Damus)

CALL TO ORDER

Sauli Danpour conducted the meeting in Kathy Faulk's absence. Danpour called the meeting to order at 8:08a.m. without a quorum. A quorum was reached at 8:35 a.m.

PRESIDENT'S REPORT

Carol Reported:

DCBID had a very successful Annual Property Owners meeting. Carol thanked all Board members who attended and also thanked Steve Hathaway for his continued generosity in hosting the meeting each year.

Carol introduced John Day of System Properties, who will be attending as a proxy on behalf of David Damus. Carol asked the Board and staff to do self-introductions for Day's benefit.

On the CCA side: CCA's Annual Treasures luncheon was a huge success. Carol received many positive comments from the attendees, especially regarding the videos. Due to the huge response, CCA is going to be copyrighting the videos and making them available to property owners and members, as well as to the City who will use for its Adaptive Reuse Ordinance award. The City is up for an award in China and will be using the videos as a reflection of what that program meant.

Legislative Affairs: The DCBID has been leading an effort on behalf of a coalition of BIDs statewide to get legislation through that will deal with the issue that many BIDs are facing over the issue of what is a general benefit vs. special benefit because of Proposition 218. It has made it easier for property owners to sue and question the validity of the BID. The coalition's objective is to reassert the BIDs founding and legal principles that have applied for 15 years. Speaker John Perez has agreed to author.

It has passed through the Assembly and is now at the Senate. Senator De Leon will shepherd it through the Senate. The whole process is expected to continue through the end of August. DCBID will then work with the Governor's office to get signed.

Regional Connector (2nd & Hope Street): CCA was instrumental in convincing Metro to shift from its original proposal of a basic one-story structure that placed passengers in the center of a triangular intersection at the 2nd and Hope Street station. Instead, CCA supports an alternative design with a second floor and pedestrian bridge to the plaza behind The Broad. In May 2014, Metro gave a six month extension for CCA, stakeholders and staff to identify funding options for the bridge construction. Supervisor Knabe entered an amendment that will pay for the bridge via contingency funds unless other funds are identified. The issue now is that Metro feels that the additional \$4 million needed for the alternative design should come from a public / private partnership. CCA's response is that the BID assessment that property owners currently pay is the private sector's contribution because they are keeping that area safe and clean. Metro has given until July to identify funding source.

Hotel Living Wage Ordinance: In February 2014, Councilmembers Bonin, Martinez and Price introduced a motion that asserts that many hotel employees are grossly underpaid. Their motion only requests an economic impact study of a \$15/hour minimum wage for employees at hotels, 100 rooms or larger – and does not call directly for an ordinance. If the study finds it beneficial, then the City would pursue the LWO. CCA expects that signing a collective bargaining agreement with a union exempts companies from the LWO requirements. CCA aggressively pushed for an economic study and was successful. The City has engaged Blue Sky Consulting, who began the study in May 2014. CCA expects the study to be completed this summer. CCA now needs to ensure the study is non-biased.

State Living Wage Increase: Of even greater concern is a bill that has made its way through the Senate that increases the state minimum wage. The wage is already set to increase from \$8 to \$9 beginning July 1, 2014 as part of a bill Governor Brown signed last year, but a new bill (SB 935) authored by Senator Mark Leno of San Francisco calls for additional increases. The bill calls for increases to \$13 by 2017. The feeling is that since the Bill has already passed the Senate, then there's a greater chance that it will pass.

Street Vending: Councilmembers Huizar and Price introduced a motion that asked for a report on how the City could create regulations that would allow vending of food and merchandise on sidewalks throughout the city. The motion claims that allowing this vending to be legal and regulated would improve economic activity, improve healthy food choices and improve public safety. It also argues that since thousands of vendors are operating, they might as well be made legal and regulated. CCA is concerned about the implications of the motion and is pursuing a plan that would give each BID or neighborhood council the right to choose whether street vending will be allowed in each of their jurisdictions.

FINANCE

Jeff Reported:

February 2014 Financials: Revenues were close to budget for the month. Department expenditures were under budget primarily due to staff vacancies in public safety and facility costs lower than budgeted. The Finance Committee has reviewed and approved. Danpour asked for a motion to approve the February financials as presented. Swartz raised a motion to approve as presented. Bundy seconded and motion was approved.

March 2014 Financials: Revenues were higher than budgeted due to a timing difference between March and April. Department expenditures were favorable by \$70K primarily due to staff vacancies in public safety and facility costs lower than budgeted. For maintenance, we had a temporary save for tree trimming that has been delayed. The Finance Committee reviewed and approved. Swartz raised a motion to approve as presented. Bundy seconded and motion was approved.

April 2014 Financials: Revenues for the month were under budget. Year-to-date is slightly under at \$39K. Expenses for April were favorable by \$27K and \$165K for the year, due to staff vacancies in public safety, facility cost savings and timing differences in marketing. The Finance Committee reviewed and approved. Swartz raised a motion to approve as presented. Bundy seconded and motion was approved.

APPROVAL OF MINUTES

A motion was raised by Bundy to approve the March 5, 2014 minutes as presented, Swartz seconded and motion was approved with one abstention.

SERVICE CENTER BUDGET

Suzanne Holley reported that considerable efforts have been expended over the last several months to identify a new location for the Service Center as the current lease has expired. Proposals received for potential alternatives indicate that the current amounts budgeted for rent and tenant improvements are significantly below market. Board approval was therefore requested to (1) increase the budget for base rent and tenant improvement amortization from \$8,500 to \$13,000 per month and (2) allow management to pursue a lease to execution if a deal is obtained within the financial parameters prior to the next meeting of the Board. The Finance Committee has reviewed and approved. It was noted that a location currently being considered is 640 S. Olive which is owned by the Los Angeles Athletic Club. Hanasab raised a motion to approve as presented. Troesh seconded and the motion was approved with one abstention by Hathaway.

PROPERTY OWNER OR PUBLIC COMMENT: None

OPERATIONS

Ken Reported:

Safety:

Problem Areas:

3rd & Main S/E Corner: Quality of life issues are starting to grow in this area again. Focused patrols are being placed in that area to combat the issues along with frequent maintenance wash downs.

727 W. 7th Street: Safety along with LAPD and LAHSA are working on a subject who continues to frequently block the sidewalk with personal belongings. This person was a health issue for a time when it was observed he had body lice and scabies. LAHSA brought a doctor out, who treated him and also conducted follow up appointments. LAPD also placed the subject on a psychiatric hold for 72 hours. The DCBID Homeless Outreach team has been attempting to work with this subject on a daily basis in an attempt to get him further assistance and off the streets.

2nd & Hope: We are starting to receive complaints from the Music Center in regards to several people who are encamping in the area. These subjects often wander onto the campus of the music center where they panhandle and cause disturbances.

5th & Hill Metro: This location has had an increase of subjects who hang out at the platform who are intoxicated. Staff has had conversations with LASD Metro unit (Deputy Flores) who advised that they have been working special enforcement details at this platform and will continue. We have also received new contact information for the LASD Lieutenant in charge of the detail.

	March 2014	April 2014	May 2014
Calls For Service	3,012	2,296	1,487
Self Initiated Calls/Incidents	8,768	7,726	6,579
LAFD Assists	6	10	15

LAPD Assists	12	13	14
Misdemeanor Incidents	740	879	830
Felony Incidents	6	14	10
Quality of Life Incidents	2,322	2,491	2,484

Safety Staff received training on the following topics:

- First Aid & CPR
- Customer Service
- Verbal Judo
- Report Writing
- Weaponless Defense
- Impact Devices

Maintenance:

The maintenance crew is in the 2nd month of a pilot program for the DCBID. This pilot program pertains to the trash bags that used to be placed on the sidewalks in bulk while awaiting pick up from the trash truck. The new program relies on the truck to remove the bags directly from the can, thus leaving the appearance of the sidewalks cleaner. In order to accomplish this in a timely and efficient manner, staff re-evaluated the route that the truck would drive and retrained the drivers and sweepers to accomplish this.

BID ACTION:

Our outreach team continues to do two monthly homeless counts as directed. The following information was gathered.

- a. 03/10 – 156
- b. 03/24 – 187
- c. 04/14 – 183
- d. 04/28 – 162
- e. 05/12 – 165
- f. 05/27 – 152

Though the outreach team has been successful in making contact with new faces within the district, they are finding that a large portion of the new people within the district are service resistant and do not wish for us to provide services to them. The outreach team continues to try and forge a relationship with the individuals in hopes they will be able to assist them in the future.

Mitchell Reported:

Marketing Campaigns

The DCBID's Spring marketing campaign highlighted over 20 restaurants that are always open for brunch, and included special Easter and Mother's Day brunch ideas as well. The campaign was supported by social media and email blasts. The dedicated webpage, DowntownLA.com/Brunch, will continue to be live on our website. There were 75,000 visitors to our website during the campaign (a 5% increase over last year) and accelerated engagement on our social media networks.

In April and May, we worked on developing our summer campaign called "Summer in the City: An Insider's Guide to Downtown LA's Concerts, Outdoor Films, and Events." The campaign launched last week, and will be live through Labor Day. The campaign is supported by radio spots, print ads, flyers, email blasts, and banners. Please view the campaign at DowntownLA.com/Summer.

Website

We have been posting new businesses, upcoming events, and promotions on our website. We continue to work on the new website, and just completed approvals of the wireframes.

PR

We worked with *Los Angeles Magazine* on developing the content for the June issue which focuses on Downtown LA. Our PR firm Macy + Associates secured an article in Real Estate Forum in their Feb/Mar issue as well as a great piece in LA Confidential featuring Carol, Barbara Bundy, and Bert Dezzutti. They also worked on coverage with LA Register, La Opinion, LA Times, and PBS So-Cal. Carol spoke at ICSC's Downtown LA Forum on April 29.

Downtown Guides Program

The Downtown Guides were active in their outreach to businesses, residents, and visitors in the Downtown Center. We launched our two new kiosks at the Annual Property Owners Meeting. The Guides were present at the weekly Farmers' Markets and FIGat7th Resident Mixer. The rotating schedule for the kiosk targets the most popular intersections in Downtown for pedestrians. The Welcome Map and Bags continue to be in high demand.

eNewsletter/Property Owner Quarterly Newsletter

The DCBID's monthly e-newsletters were sent to over 35,000 current subscribers. They highlighted new business openings, Downtown events, and special offers to our subscribers. The Q2 Newsletter is scheduled to arrive to property owners next week.

Events

Annual Property Owners Meeting

The 2013 Annual Report debuted at the Annual Property Owners Meeting on Thursday, April 10 at the Los Angeles Athletic Club. This meeting was an opportunity for property owners to learn about the work the DCBID does to ensure that the District remains safe, clean, and vibrant. The DCBID presented a retrospective of our efforts for 2013 and an overview of our goals for 2014. The DCBID continues to produce strong results and remains a catalyst in the revitalization of Downtown LA. Guest speakers for the program included Kathy Faulk, Board Chair; Sara Hernandez, Downtown Area Director and Special Counsel, 14th District; and Mike Oreb, Captain, LAPD Central Division. For more information, and to download a copy of the 2013 Annual Report visit DowntownLA.com.

Dog Day Afternoon, BBQ and Halloween

We look forward to seeing you at Dog Day Afternoon at the Cathedral on July 9 from 6-9pm! The marketing campaign includes email blasts, hand-to-hand outreach, flyers and posters in local businesses, and PR outreach. We are in the planning stages for this year's BBQ and Halloween.

ECONOMIC DEVELOPMENT

Bastian Reported:

Creative/Tech/ Office Recruitment Committee

We prepared a draft Creative/Tech/ Office Recruitment Program ("Program") designed to encourage the leasing of office space in Downtown LA to untapped markets by educating them on how the Downtown of today makes sense for them. The strategy is to create experiences that change the perception of DTLA as being only for "suits in traditional office space" through an ongoing event series and marketing collateral. Target audiences include regional, national and international creative, tech and traditional office tenants that are not currently located here. The program consists of 3 parts: Events, Collateral and Marketing with the following components: Bus Tours, Open Houses, Road Shows, Staycations, Recruitment Toolkit, Video and a PR Strategy. A draft budget and timeline have also been developed with the Program components to be presented the Committee.

Broadway 2nd to 4th Street

We are creating a detailed inventory of all property ownership along Broadway between 2nd and 4th and are meeting with property owners to discuss strategies for long term development and investment into Broadway. We met with brokers of key vacant spaces and discussed options for retail recruitment. We toured a few interested restaurants and nightlife operators along this section of Broadway to show as an exciting Downtown location. We are working with CD-14 on their Bringing Back Broadway Initiative, both in the areas of retail recruitment and facade lighting program.

Retail Recruitment/Broker Outreach

We toured over 8 different retailers that are interested in locating in our District. J. Whaley attended the Downtown Works Retail recruitment Workshop and met with key retailers in Los Angeles to discuss possibilities of opening in Downtown; We met with the Downtown, South Bay, Beverly Hills and Orange County offices of CBRE, Colliers, Cushman and Wakefield, Main and Main, Commonwealth Partners, Creative Spaces and ACE to give their brokers a Downtown update and talk about how we can assist them in recruiting tenants to Downtown from outlying markets. Some of these meetings were targeted discussions about specific tenants that these brokers are representing who want to be in Downtown.

We also talked with them about the Creative/Tech/Office program and solicited input from them on how we should design our Recruitment Toolkit and other components in order to help them sell Downtown to their tenants.

Residential Market/Other users:

- Phase one of the Metropolis project had a ceremonial groundbreaking in February and construction is anticipated to begin in June. The first phase consists of a 290 unit high-rise condo tower and a 350 room hotel with ground floor retail.
- Construction began in April on 1000 Grand, a 274 unit apartment complex by the Hanover Company at Olympic and Grand. The project will also include 12,000 SF of new retail space.
- May saw the beginning of construction on Olive and Pico, a 293 unit apartment complex by the Wolff Company which will contain 17,300 SF of new retail space; 8th and Hope apartment tower by Wood Partners topped off and when finished will add 290 units and 5,000 SF of retail space to the DCBID; Construction continues on 8th and Grand, an apartment building by Carmel Partners, as well as 888 Olive, a high rise apartment building by the Onni Group.
- We provided tours to developers and investors that are interested in new construction residential projects for Downtown.
- We are working with a pre-school to open in Downtown, as well as a major medical tenant.

EVENTS

Quarterly DRMA Networking Event/Resident Mixer TASTE at FIGAT7TH

We collaborated with Bunker Hill Bar & Grill to host a spring DRMA event with an attendance of over 50 residential building managers on April 22nd; We are partnering with the CD-14 office to help promote their newly formed Downtown Residential Task Force through our DRMA network; We are partnering with Faith and Flower for a July DRMA event and 2 more events will be planned for 2014; We partnered with Brookfield Properties to help produce their resident mixer at TASTE to be held in early June. DCBID helped create the invitation and e-mailed it to key stakeholder lists, as well as managed RSVPs and provided staffing the night of the event.

CCA Housing Panel and Showcase

We produced a Housing Panel and Showcase in mid-June and coordinating with 15 residential developers, providing them the opportunity to showcase their properties of projects recently completed and under construction.

TOURS

Housing Tours

We had three very successful, standing room only, housing tours with almost 150 people in attendance.

Research & Information Requests

- The Q1 Market Report was researched and completed by the end of May which included current statistics on the residential, office, retail and hotel sectors. The new market report is available on downtownla.com.
- New development maps were created in coordination with Cartifact. These maps show all current, under construction and proposed residential buildings, hotels and civic buildings in a more user friendly way.
- The DCBID project database was updated to include new developments; new charts were created to show all new hotel buildings, as well as all new retail space under construction and proposed.

OLD BUSINESS: None

NEW BUSINESS: None

ADJOURNMENT: The next meeting is scheduled for July 9, 2014. The meeting was adjourned.